

2.8 Tn
Total Volume (KRW)

YoY Chg
12-Mo. Forecast

17
Total Properties Sold

2.2M sqm
New Supply Area

Source: Cushman & Wakefield

S. KOREA ECONOMIC INDICATORS Q2 2024

3.3%
GDP Growth

YoY Chg
12-Mo. Forecast

2.4%
CPI Growth

2.9%
Unemployment

Source: KOSIS, Bank of Korea

NOTE

¹ Logistics Center data is based on greater than 16,500 sqm in GSA.

² All data is based on logistics center construction permits.

³ Submarkets Criteria

- East: Seongnam, Gwangju, Yongin, Icheon, Yeosu
- South: Osan, Hwasung, Pyeongtaek, Anseong
- North: Paju, Goyang, Yangju, Uijeongbu, Guri, Hanam, Yeoncheon, Pocheon, Gapyeong, Dongducheon, Yangpyeong, Namyangju
- West: Incheon, Gimpo, Bucheon, Siheung, Ansan
- Central: Gwangmyeong, Anyang, Gwacheon, Gunpo, Uiwang, Suwon
- Seoul: Seoul

Transaction Volume Recorded KRW2.8 Trillion in 1H 2024, Rising 68% on 2H 2023 Performance

Seventeen logistics center transactions were completed in the Greater Seoul Area (GSA)¹ in the first half of 2024, totaling approximately KRW2.8 trillion. This marks a 34% rise in pure transaction volume compared to the 2H 2023 period, even when excluding deals where construction companies assumed debts due to construction completion guarantees and public auctions. The largest transaction was LaSalle Investment Management's acquisition of the Daedeok Logistics Center in Anseong-si for KRW603.1 billion from Jisan Industrial. This pre-sale deal involved Building A, completed in 2023, and Building B, completed in 1H 2024, with leasing agreements secured with Daiso, Samdeok Logistics, and CJ Olive Young. The second-largest transaction was IGIS Asset Management's purchase of the Incheon Seoknam Innovation Logistics Center for KRW580 billion, backed by a long-term lease with Coupang. IGIS also acquired the Pivot Logis Hwasung Center in Hwasung-si for KRW212 billion, converting the space from cold storage to dry storage, now leased to Samsung SDS under a master lease agreement.

New Logistics Center Supply of 2.2 Million Sq m in Southern and Western Regions Completed

Approximately 2.2 million sq m of new logistics center space was supplied in the Greater Seoul Area in the 1H 2024 period, representing a 17% decrease from the previous half-year period. Most of this new supply was in the southern and western regions, with significant completions in Anseong and Pyeongtaek in the south, and at Incheon and Gimpo in the west. Key projects include the Daedeok Logistics Center Building B (200,832 sq m) and Anseong Arenas (124,721 sq m) in Anseong, as well as the RNR Pyeongtaek Logistics Center (143,046 sq m) in Pyeongtaek. In the western region, notable completions included the HiFLEX Namdong Logistics Center (124,061 sq m) and the Logos Siheung Logistics Center (99,864 sq m). Looking ahead, further new supply is expected in the 2H 2024 period, particularly in the western region, with additional projects anticipated in the less-supplied northern region.

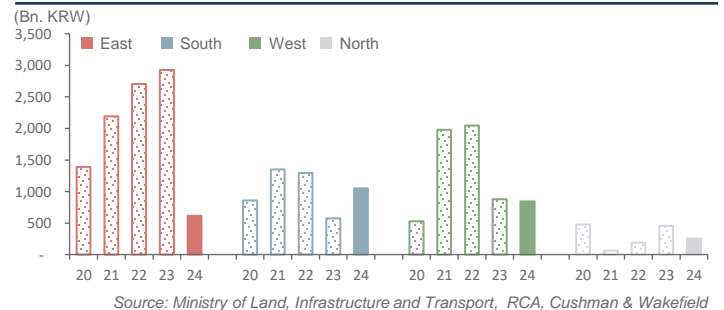
Ongoing Increase in Debt Assumption by Construction Firms Due to Completion Guarantees

A construction completion guarantee is a contract where financial institutions require construction companies to complete a project within a specified period. If the construction is delayed, the company that signed the agreement must assume any debt that the financial institution could not recover. Due to the rapid increase in construction costs and high interest rates following the COVID-19 pandemic, more projects are experiencing delays. In 1H 2024, six out of the 17 logistics centers traded were directly acquired by construction companies under these agreements or joint guarantees, totaling approximately KRW580 billion. As concerns over an oversupply of logistics centers continue to rise, debt assumption or litigation related to these guarantee is expected to persist into the near future.

LARGE-SCALE LOGISTICS CENTERS SUPPLY IN GSA²



LOGISTICS CENTERS TRANSACTION VOLUME BY SUBMARKETS³



Source: Ministry of Land, Infrastructure and Transport, RCA, Cushman & Wakefield

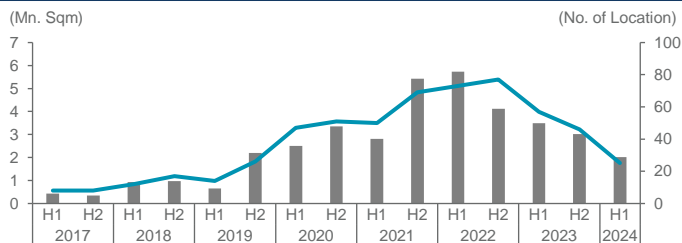
1H 2024 SIGNIFICANT SALES

PROPERTY NAME	LOCATION	SUBMARKET	BUYER	SELLER	SQM	PRICE (Mn. KRW)	10K KRW/3.3m'	TYPE
Daedeok Logistics Center A,B	Anseong	South	LaSalle Investment Management	Jisan Engineering	388,223	603,100	514	Dry
Seoknam Innovation Logistics Center	Incheon	West	IGIS Asset Management	Pacific AMC	299,252	580,000	640	Mixed
Dream Forward Logistics Center	Hwasung	South	IGIS Asset Management	Pivot Plus	107,010	212,000	654	Dry
Otogi Logistics Service Namyangju Safety Logistics Center	Namyangju	North	Starlord Investment	Geumo Distribution	52,152	149,100	943	Mixed
Logiport Osan Logistics Center	Osan	South	Pacific AMC	LaSalle	39,927	132,900	1,098	Mixed
HIVE Gunryang Logistics Center	Icheon	East	DI Construction	SPC Gunryang Logistics	54,298	125,921	765	Mixed
Byeollae ONE Logistics Center	Namyangju	North	Hwasung Industrial	Right Idea Co	48,595	108,227	735	Dry
Wonchang-dong Logistics Center	Incheon	West	SGC E&C	DNI Corporation	28,775	98,486	1,129	Cold
Food Nuri Icheon Logistics Center	Icheon	East	Koramco Asset Management	Food Nuri Co	43,210	90,800	693	Mixed

1H 2024 NEW SUPPLIES LIST

PROPERTY NAME	LOCATION	SUBMARKET	BUILT	SQM	TYPE
Daedeok Logistics Center B	Anseong	South	24Q2	200,832	Dry
RNR Pyeongtaek Logistics Center	Pyeongtaek	South	24Q1	143,046	Mixed
Anseong Arenas Logistics Center	Anseong	South	24Q2	124,483	Mixed
HiFLEX Namdong Logistics Center	Incheon	West	24Q1	124,061	Mixed
Logos Siheung Logistics Center	Siheung	West	24Q2	99,864	Mixed
Logisvalley Incheon Port GDC	Incheon	West	24Q2	89,718	Dry
Bucheon Naedong Logistics Center	Bucheon	West	24Q2	82,134	Mixed
Yangchon-eup Hakun-ri 3885	Gimpo	West	24Q1	54,822	Dry
Moga-myeon Singal-ri Logistics Center	Icheon	East	24Q2	52,943	Mixed
Sasandong Logistics Center	Ansan	West	24Q1	52,321	Mixed
Bric Hwasung Logistics Center	Hwasung	South	24Q1	50,634	Mixed
Logispoint Hobeop A Logistics Center	Icheon	East	24Q1	49,517	Mixed
Logis Y Logistics Center	Hwasung	South	24Q1	48,760	Mixed

LOGISTICS CENTER CONSTRUCTION PERMITS VOLUME⁴



NOTE

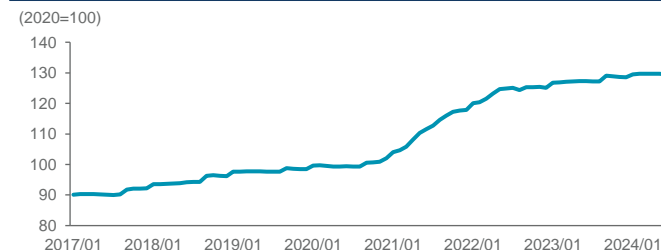
⁴ as of 2024.07.

Source: Ministry of Land, Infrastructure and Transport

2H 2024 EXPECTED SUPPLIES LIST

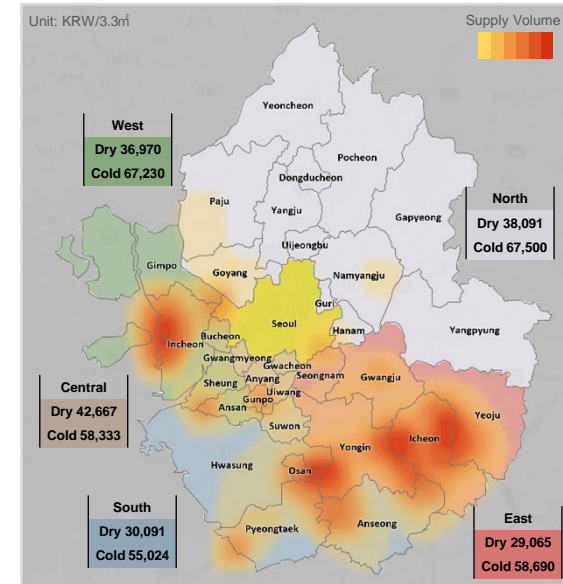
PROPERTY NAME	LOCATION	SUBMARKET	BUILT	SQM	TYPE
Siwha MTV Logistics 2BL Center	Siheung	West	24Q4(F)	235,627	Mixed
Hangang New Town Logistics Center	Gimpo	West	24Q3(F)	165,147	Mixed
K1 Gimpo Logis Logistics Center	Gimpo	West	24Q4(F)	182,537	Mixed
Megawise Cheogna Logistics Center	Incheon	West	24Q3(F)	142,870	Dry
Siwha MTV Logistics 1BL Center	Siheung	West	24Q3(F)	139,182	Mixed
Yeoju Jambong-dong Logistics Center	Yeoju	East	24Q4(F)	122,146	Dry
Anseong Seongeun Logistics Center	Anseong	South	24Q4(F)	116,845	Mixed
Anseong Logistics Center	Anseong	South	24Q4(F)	99,186	Mixed
Incheon New Port Logistics Center	Incheon	West	24Q4(F)	77,330	Mixed
Ansan Seonggok Logistics Center	Ansan	West	24Q3(F)	74,164	Mixed
Goyang NK Complex Logistics Center	Goyang	North	24Q4(F)	53,532	Mixed
Logiport West Anseong	Anseong	South	24Q4(F)	39,325	Mixed
Jangcheon-ri GNR Logistics Center	Icheon	East	24Q3(F)	36,260	Mixed

KOREA CONSTRUCTION COST INDEX



Source: Korea Institute of Construction Technology

GREATER SEOUL AREA RENTS BY SUBMARKETS



Source: Cushman & Wakefield

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